

Message Text

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46

ORIGIN EB-11

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L/ EB - MR. MUIR

L - MR. FELDMAN

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TO USMISSION EC BRUSSELS PRIORITY

AMEMBASSY BRUSSELS PRIORITY

AMEMBASSY LONDON PRIORITY

INFO AMEMBASSY PARIS

AMEMBASSY BONN

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

AMEMBASSY TOKYO

AMCONSUL DUSSELDORF

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STADIS////////////////////////////////////

E. O. 11652 N/ A

BRUSSELS FOR CASEY

TAGS: EMIN, ETRD

SUBJECT: STEEL VRA

REF: LONDON 03261

FOLLOWING IS EXCHANGE LETTERS WITH SENATOR HART
REFERRED SEPTEL.

1. LETTER FROM SENATOR HART TO SECRETARY ROGERS FOLLOWS:

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QTE FEBRUARY 16, 1973. DEAR MR. SECRETARY: LAST MAY, I WROTE YOU EXPRESSING CONCERN ABOUT THE SO- CALLED QTE VOLUNTARY RESTRAINT ARRANGEMENTS ON STEEL QTE ENTERED INTO BY CERTAIN FOREIGN STEEL COMPANIES AS A RESULT OF NEGOTIATIONS INITIATED BY YOU AT THE PRESIDENT' S DIRECTION. SINCE THAT TIME, ON JANUARY 8, 1973, THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA HAS ISSUED A MEMORANDUM, OPINION, DECLARATION AND ORDER IN CONSUMERS UNION OF THE UNITED STATES, INC. V. WILLIAM P. ROGERS, SECRETARY OF STATE, ET AL. C. A. 1029.

AS I READ THAT OPINION, JUDGE GESELL MAKES TWO POINTS. FIRST, THAT THERE IS NOTHING IN THE TRADE EXPANSION ACT OF 1962 THAT MAKES ITS PROCESS EXCLUSIVE OR WHICH

LATER STATUTE TAKE AWAY THAT RIGHT OF ACTION. THE BASIC RULE WAS STATED IN 1801 BY CHIEF JUSTICE MARSHALL THAT QTE IF . . . BEFORE THE DECISION OF THE APPELLATE COURT, A LAW INTERVENES AND POSITIVELY CHANGES THE RULE WHICH GOVERNS, THE LAW MUST BE OBEYED, OR ITS OBLIGATION DENIED QTE. ALTHOUGH IT IS DOUBTFUL CONGRESS COULD SIMPLY EXTINGUISH RIGHTS WHICH MIGHT BE VESTED AS A RESULT OF A FINAL JUDGMENT IN A TREBLE DAMAGE SUIT, WE ARE NOT AWARE OF ANY TREBLE DAMAGE SUIT FILED AGAINST THE FOREIGN PRODUCERS. EVEN IF A SUIT WERE FILED TODAY, A FINAL JUDGMENT WOULD PROBABLY NOT BE ENTERED FOR ANOTHER THREE TO FIVE YEARS. ATTORNEYS FOR BSC AND KRUPP CONCEDED THAT THEIR LEGAL RESEARCH HAD CONFIRMED THIS OPINION BUT EXPRESSED CONCERN THAT SOME COURT COULD REVERSE THIS DOCTRINE. WE BELIEVED THIS CONCERN EXAGGERATED AND UNREASONABLE.

3. WE UNAWARE ANY LETTER FROM SENATOR HARTKE AND WONDER WHETHER LAUGHTON HAS IN MIND EXCHANGE LETTERS WITH SENATOR HART. THIS EXCHANGE WHICH BEING TRANSMITTED SEPARATELY IN NO WAY ALTERS OUR VIEWS ON CORRECTNESS OUR APPEAL OR ON OUR ESTIMATE OF CHANCES FOR LEGISLATION IF NECESSARY.

4. AGREE IT WOULD BE HIGHLY DESIRABLE FOR UNDER LIMITED OFFICIAL USE

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SECRETARY CASEY AND ASSISTANT SECRETARY ARMSTRONG

MEET WITH BSC OFFICIALS DURING LONDON VISIT.
HOPEFULLY DURING SUCH VISIT MELCHETT CAN BE PERSUADED
THAT WE DOING ALL THAT IS REASONABLE POSSIBLE TO
MEET THEIR CONCERNS ABOUT LIABILITY THROUGH OUR
APPEAL AND COMMITMENT TO SEEK LEGISLATION AFTER
COURT DECISION.

5. FOR CASEY AND ARMSTRONG. IN MEETING MARCH 15 WITH
NELSON STITT, ATTORNEY FOR JAPANESE, WILBUR MILLS
STATED THAT IT WOULD BE GREAT MISTAKE SEEK LEGISLATION
PRIOR TO DECISION BY COURT OF APPEALS. HE CONFIRMED
TO STITT AN EARLIER STATEMENT THAT HE WOULD STRONGLY
SUPPORT LEGISLATION IF THIS SHOULD BE NECESSARY
AS A RESULT COURT DECISION. HE SUGGESTED AS
ALTERNATIVE POSSIBILITY INSERTING PROVISION IN TRADE BILL
DURING COMMITTEE CONSIDERATION
IF THIS SEEMED DESIRABLE AT THAT TIME AND WOULD NOT
INTERFERE WITH APPELLATE PROCESS. ROGERS

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*** Current Handling Restrictions *** STADIS

*** Current Classification *** LIMITED OFFICIAL USE

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EC BRUSSELS
LONDON INFO BONN
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LUXEMBOURG
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